

**Minutes
Council/RDA Meeting
City Council/Redevelopment Agency
City of Huntington Beach**

Monday, May 21, 2007
4:00 P.M. - Room B-8
6:00 P.M. - Council Chambers
Civic Center, 2000 Main Street
Huntington Beach, California 92648

**An audiotape of the 4:00 p.m. portion of this meeting
and a videotape of the 6:00 p.m. portion of this meeting
are on file in the Office of the City Clerk.**

4:00 p.m. – Room B-8

Deputy Clerk Mandic recessed the 4:00 p.m. portion of the meeting to 4:45 p.m. due to an anticipated lack of quorum. The Council will reconvene in the Chambers at that time.

Called City Council/Redevelopment Agency Meeting to Order – 4:45 p.m.

Present: Bohr, Carchio, Cook, Coerper, Green, Hansen, and Hardy
Absent: None

Motion to Recess to Closed Session

A motion was made by Bohr, second by Hardy, to recess to Closes Session on the following items. The motion carried by the consensus of all present, none absent.

(City Council) Closed Session – Pursuant to Government Code Section §54957.6, the City Council shall recess to Closed Session to meet with its designated labor negotiators: Penelope Culbreth-Graft, City Administrator; Bob Hall, Deputy City Administrator; Dan Villella, Finance Director; and Renee Mayne, Chief Negotiator, regarding labor negotiations with the following employee organizations: **MEA, HBFA, SCLEA, and Non-Associated.**

(City Council) Closed Session – Pursuant to Government Code Section §54956.9, the City Council shall recess into Closed Session to confer with the City Attorney regarding the following lawsuit: **Patrick Gildea v. City of Huntington Beach; Workers' Compensation Appeals Board** Case Nos. AHM 0068671, AHM 0311717, and AHM 0073796; Claim Nos. COHB 93-0159, COHB 95-0145, and COHB 95-0223.

Reconvened City Council/Redevelopment Agency Meeting - 6:15 p.m.

No Actions Taken During Closed Session Which Required A Reporting Pursuant to Government Code Section 54957.1(a) (3) (B).

City Council/Redevelopment Agency Meeting Roll Call

Present: Bohr, Carchio, Cook, Coerper, Green, Hansen, and Hardy
Absent: None

Pledge of Allegiance/Flag Salute - Led by Tiger Cub Scout Pack 563.

Invocation - Led by Mayor Coerper

Presentation - Project Self-Sufficiency

Mayor Coerper called on Ron Shenkman, Chairman, Rainbow Disposal, to present a check to Susan Edwards, Human Services Supervisor representing Project Self-Sufficiency. Ms. Edwards thanked Mr. Shenkman and Rainbow Disposal for the donation and described how the funds will be distributed. Mayor Coerper also expressed Councils' appreciation for Rainbow's fund raising efforts.

Presentation - Emergency Services Week

Mayor Coerper called on Eric Engberg, Fire Division Chief of Operations to accept a proclamation for Emergency Services Week, May 20 - 26, 2007. Mayor Coerper described the intent of the commendation, and recognized the Fire Department. Division Chief Engberg and members of Emergency Management Services (EMS) team came forward to be recognized and have a photo taken. Division Chief Engberg described the level of service EMS members provide.

Presentation - Marine Safety Week

Mayor Coerper called on Marine Safety Chief Kyle Lindo to receive a proclamation for Marine Safety Week May 21 - 28, 2007. Mayor Coerper thanked Chief Lindo and recognized the Safety Team members present. Chief Lindo thanked the Council and introduced member Mike Bartlett to announce U.S. Lifesaving Association and National Beach Safety Awareness Week. Mr. Bartlett announced the event, and a motto to "be safe, be seen, swim near a lifeguard." Mayor Coerper also discussed the training involved and how Huntington Beach Marine Safety Officers often train other agencies.

Mayor's Award

Mayor Coerper called on City Clerk Joan Flynn to present the Mayor's Award to Senior Deputy City Clerk Patty Esparza. City Clerk Flynn described the Mayor's Award process, and discussed Ms. Esparza's responsibilities, merits, accomplishments and dedication. Ms. Esparza thanked the Council and shared her feelings about working in the City Clerk's Office.

The City Clerk Announced Late Communications

Pursuant to the Brown (Open Meetings) Act, City Clerk Joan Flynn announced Late Communications regarding agenda items that had been received by her office following distribution of the agenda packet:

Communication submitted by Flossie Horgan, Executive Director of the Bolsa Chica

Land Trust dated May 21, 2007 regarding item E-10.

Communication submitted by Joe Shaw, dated May 18, 2007 and titled *Please Continue Surf City Nights*.

Communication submitted by Donald Sinex, dated May 18, 2007 and titled *Main Street Pedestrian Mall*.

Communication submitted by Mark Bixby, dated May 17, 2007 and titled *H-1a Campaign Contribution Limit Increase*.

Communication submitted by Norm "Firecracker" Westwell, dated May 21, 2007 regarding item H-1a.

Public Comments

Ron McLin, downtown business owner, spoke on *Surf City Nights*. He discussed the success of the event and his support in continuing it beyond May 22. He stated that members of the Downtown Business Improvement District (BID) are collecting funds to cover costs to extend the term of the event an additional 5 weeks.

Councilmember Bohr asked if the BID took a vote to support holding the event for the next five weeks. Mr. McLin confirmed that the vote was close to unanimous, and that the BID plans to spend approximately \$20,000 on the remaining events. He also discussed the BID's distribution of funds during the entire 12-week term.

Julie Bixby spoke to voice support on the Bolsa Chica Annexation Study, and to suggest that Council contact the California Coastal Commission (CCC) to request a delay in action on the City's application for a Local Coastal Plan Amendment (LCPA) involving the Shea Development on Graham Street. She discussed processing deadlines and how the San Luis Obispo meeting location creates a hardship for Huntington Beach citizens who wish to attend. She explained that the City, as applicant, can request that the hearing be delayed until October when the CCC meets in San Pedro.

Mark Bixby provided comments on the agenda item to consider raising campaign contribution limits identified in the Municipal Code. Mr. Bixby stated his neutrality on the proposed increase and explained his involvement in a preliminary analysis of campaign disclosure information. He requested that changes be considered on a go-forward basis and not retroactive as the proposal suggests.

Maribel Larios spoke about *Senior Serve* (formerly known as the *Feedback Foundation*). She explained the organization's close association with the City staff and volunteers to provide breakfast, lunch and dinner to approximately 260 homebound seniors daily. Ms. Larios discussed service efforts throughout Orange County, including serving 140,000 meals in 2006, and thanked the City for its past financial support.

Connie Pedenko, Downtown BID member, thanked the Council for their support of *Surf City Nights*. She discussed the BID's intentions to offer \$19,000 to keep the event active

in June, and their commitment to solicit sponsorship thereafter. She also described the positive feedback she hears from the community and thanked BID volunteers.

Lee Love, Downtown BID member, voiced support for the proposal to extend *Surf City Nights*. Ms. Love shared positive comments about the event and registered support that the event go on indefinitely, and for Main Street closure on additional days.

Steve Daniel, Rocky Mountain Chocolate Factory owner and downtown BID President, thanked City staff for their hard work. He shared ideas for improving Main Street and *Surf City Nights*, and described the BID's efforts to work with side street businesses on Walnut and Olive to more fully include them in the event. He also discussed how the BID will help fund the next 5 weeks, and their support for extending the event area to a 4th and 5th block.

Vincent Wade informed Council of conversations he had with U.S. Postal Service staff and their assumed concerns that the Main/Olive branch downtown may be required to close due to vendors participating in *Surf City Nights* blocking access for postal trucks entering or exiting the facility. He opined that the National Postal Service will not allow the facility to operate if it closes early to accommodate the event, and urged the Council and BID to reach a compromise that allows the Post Office to remain open during their normal business hours.

Mayor Pro Tem Cook asked if Mr. Wade spoke with Postal Service staff directly, and if his conversations were recent. Mr. Wade confirmed on both accounts.

Council Reports

Disclosure Reporting (This is the opportunity for Councilmembers to make announcements regarding Council committees, appointments or liaison reports and all individuals as appropriate to disclose any conferences, training, seminars, etc. attended at the agency's expense, per Government Code §53232.3 (d))

Councilmember Bohr reported his attendance at the 2nd Annual 3/1 Golf Tournament and Banquet held at Camp Pendleton, benefiting the 3/1 Marine Battalion.

Councilmember Carchio reported his attendance at the League of California Cities General Meeting on May 10.

Mayor Pro Tem Cook reported her attendance at the U.S. Green Building Council Meeting in Irvine on May 17.

Councilmember Hansen reported his attendance at the League of California Cities meeting on May 10.

Mayor Coerper reported attending the Police Officers' Memorial in Santa Ana at the Civic Center, the Huntington Beach Police Department Open House, Arena Appeals Board in Los Angeles on May 14, the 3/1 Golf Tournament, Reception for Assemblymember Jim Silva at the Central Library, "Gone Surfing" event with Rodney McKenna, and Scout-O-Rama/Boy Scout Jamboree.

City Administrator's Report

City Administrator Penny Culbreth-Graft announced the opening of the City Cafe located on the lower level of City Hall open Monday through Friday, 7:00 a.m. to 4:30 p.m.

(City Council) Public Hearing Held - Approved Conditional Use Permit (CUP) No. 07-07 (Fourth Master CUP for Four Condominium Conversions) as Part of a Settlement Agreement Reached Between the City and Five Title Insurance Companies Representing Four Property Owners

Mayor Coerper announced that this was the time noticed for a public hearing to consider communication from the City Attorney and the Director of Planning transmitting the following **Statement of Issue**: Transmitted for City Council review is Conditional Use Permit No. 07-07 (CUP 07-07), a request by Michael C. Adams for approval of four condominiums on one property that were converted from apartments and stock cooperatives and sold as condominiums prior to June 1, 2004 without obtaining City approval and associated entitlements. This master CUP 07-07 is part of a settlement agreement reached between the City and five title insurance companies representing the four property owners. It is the fourth such master CUP to come before the Council.

Applicant: Michael C. Adams

Request: To approve four condominium units.

Location: 205 Thirteenth Street

Project Planner: Jane James

Legal notice, as provided to the City Clerk's Office by staff had been mailed, published and posted.

City Administrator Culbreth-Graft introduced Director of Planning Scott Hess to provide a staff report. After a brief description of the request, Director Hess indicated Senior Planner Jane James was available to make a PowerPoint presentation to Council, if so desired. Council indicated their desire to forego the presentation.

Mayor Coerper declared the public hearing open.

Mike Adams, representing four property owners at 205 Thirteenth Street, described the history of the conversion process and thanked staff and Council for their support.

A motion was made by Cook, second Bohr to Approve Conditional Use Permit No. 07-07 with findings and conditions of approval. The motion carried by the following roll call vote:

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|-------|--|
| AYES: | Bohr, Carchio, Cook, Coerper, Green, Hansen, and Hardy |
| NOES: | None |

FINDINGS - CONDITIONAL USE PERMIT NO. 07-07:

1. Conditional Use Permit No. 07-07 for the establishment, maintenance and operation of four condominium units will not be detrimental to the general welfare of persons working or residing in the vicinity or detrimental to the value of the property and improvements in the neighborhood. Based upon the conditions imposed the exterior of the units will be in good condition, any construction performed without permits or any significant health and safety violations will be remedied, minimum construction standards will be met, CC&Rs with a surveyor or engineer prepared map will be submitted, and affordable housing in-lieu fee will be paid.
2. The conditional use permit will be compatible with surrounding uses because the subject property is located within a residential district and is surrounded by other multi-family units.
3. The proposed conditional use permit for four condominium units will comply with the provisions of the base district and other applicable provisions in Titles 20-25 of the Huntington Beach Zoning and Subdivision Ordinance. In addition, the project will comply with any specific condition required in the settlement agreement.
4. The granting of the conditional use permit will not adversely affect the General Plan. It is consistent with the Land Use Element designations of Medium High Density Residential on the subject property. In addition, it is consistent with the following goals and policies of the General Plan:

A. Land Use Element

Policy LU 4.2.1: Require that all structures be constructed in accordance with the requirements of the City's building and other pertinent codes and regulations; including new, adaptively re-used, and renovated buildings.

Policy LU 8.1.1: Accommodate land use development in accordance with the patterns and distribution of use and density depicted on the Land Use Plan Map, in accordance with the appropriate principles.

B. Housing Element

Policy H 3.1.1: Encourage the provision and continued availability of a range of housing types throughout the community, with variety in the number of rooms and level of amenities.

The subject residential property is a four-plex located in the Downtown area. The project site is zoned and General Planned for Medium High Density Residential. The units represent a variety of unit types with various floor plans and amenities. An affordable housing in-lieu fee will be submitted for the project.

5. The City Council finds that the project will not have any significant effect on the environment and is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to section 15303 of the CEQA Guidelines, because new construction or conversion of up to six multi-family units at one project site are exempt.

CONDITIONS OF APPROVAL - CONDITIONAL USE PERMIT NO. 07-07:

1. Conditional Use Permit No. 07-07 will become effective at each individual property in accordance with the approved settlement agreement.

Consent Calendar – Items Approved

A motion was made by Green, second Hardy to move the following Consent Calendar items, as recommended. The motion carried by the following roll call vote:

AYES: Bohr (Abstain on Release of the Guarantee and Warranty Bond Provided as Security by Heritage Communities for Tract 15691), Carchio, Cook, Coerper, Green, Hansen, and Hardy
NOES: None

(City Council/Redevelopment Agency) Received and Filed the City Clerk's Quarterly Report Listing Professional Service Contracts Filed in the City Clerk's Office Between January 1, 2007 and March 31, 2007 – Received and filed the *List of Professional Service Contracts Approved by Department Heads Pursuant to Huntington Beach Municipal Code Chapter 3.03 and Submitted to the Office of the City Clerk During the Period January 1, 2007 through March 31, 2007*. Submitted by the City Clerk. Funding Source: Not applicable.

(City Council) Approved Release of the Guarantee and Warranty Bond Provided as Security by Heritage Communities, Developer of Tract 15691 Located at the Southwest Corner of Goldenwest Street and Ellis Avenue - 1) Released Guarantee and Warranty Bond No. 444113P, the security furnished for guarantee and warranty of improvements for Tract 15691(Heritage); and 2) Instructed the City Clerk to notify the developer, Heritage Communities, of this action, and the City Treasurer to notify the Surety, Developers Surety and Indemnity Company, of this action. Submitted by the Director of Public Works. Funding Source: No funds required for this action.

(City Council) Approved Release of the Guarantee and Warranty Bond Provided as Security by Signal Landmark, Developer of Tract 15734 (Sandover) Located at the Southwest Corner of Bolsa Chica Street and Los Patos Avenue - 1) Released Guarantee and Warranty Bond No. 1677807-M, the security furnished for guarantee and warranty of improvements for Tract 15734 (Sandover); and 2) Instructed the City Clerk to notify the developer, Signal Landmark, of this action, and the City Treasurer to notify the Surety, Insurance Company of the West, of this action. Submitted by the Director of Public Works. Funding Source: No funds required for this action.

(City Council) Adopted Resolution No. 2007-32 Amending Resolution No. 2002-13 and Authorizing Certain City Officials, City Employees and Hinderliter de Llamas and Associates (HdL) to Access Sales and Use Tax Records from the Board of Equalization (BOE) - Adopted Resolution No. 2007-32, "A Resolution of the City Council of the City of Huntington Beach Amending Resolution No. 2002-13 and Authorizing Certain City Employees and Hinderliter, De Llamas and Associates Access to Sales and Use Tax Records Pursuant to Section 7056 of the Revenue and Taxation Code." Submitted by the Director of Finance. Funding Source: Not applicable.

(City Council) Approved Sole Source Purchase of Light-Emitting-Diode (LED) Traffic Signal Lamps From Jam Services in the Amount of \$71,272 - Approved Sole Source Procurement from Jam Services for the purchase of LED traffic signal lamps. Submitted by the Director of Public Works. Funding Source: Funding in the amount of \$71,275 is available in Public Works Equipment Replacement, Traffic Equipment 10040214.84400 (\$50,000) and Gas Tax Engineering, Traffic Signal Maintenance 20785201.64670 (\$21,275.)

(City Council) Reviewed and Accepted the City Attorney's Quarterly Report for January 1, 2007 through March 31, 2007 - Reviewed and accepted the City Attorney's first Quarterly Report for January 1, 2007 through March 31, 2007. Submitted by the City Attorney. Funding Source: Not applicable.

(City Council) Received and Filed Report Summarizing Issues Related to the Potential Annexation of the Remainder of the Unincorporated Bolsa Chica Area Currently Within the Jurisdiction of the County of Orange and Directed Staff to Include in the 2007-2008 Budget Resources to Complete an Annexation Feasibility Study – Directed staff to include in the 2007-2008 budget request resources to complete an Annexation Feasibility Study for the balance of the unincorporated Bolsa Chica area. Submitted by the Director of Planning. Funding Source: Not applicable.

Councilmember Green requested that this agenda item be removed from the Consent Calendar, and inquired if the funding source listed as "non-applicable" applied to the FY 2007/08 budget only. City Administrator Culbreth-Graft confirmed. Councilmember Green provided the following list of details to be included within the annexation study: **1)** A clear analysis of the economic benefits for the City. Why annex? For what good purpose? I hereby request a complete cost benefit analysis; **2)** What is the responsibility of the State? Will California Fish & Game provide staff and maintenance support? Can we get the Management Plan from the California Coastal Conservancy or whoever did it?; **3)** Statement of Legal Liability. In the event of an accident (slip and fall on a trail, snake bite, etc.) which entity (City or State) is liable in a lawsuit?; **4)** Will the State request a share in any revenues?; and, **5)** With regard to monies received from the Port Authorities for the Bolsa Chica: a) what was the original amount?; b) what was expended for Planning? Document the amounts the State, Federal, County agencies received for Planning; c) What was spent for earth moving and construction?; d) what remains for operation and maintenance? Will the city have access to these funds? Are there any strings? Are the Ports required to pay for operations and maintenance in perpetuity?

City Administrator Culbreth-Graft asked Director Hess if Councilmember Green's request changes the scope of the staff report. Director Hess replied no.

A motion was made by Hardy, second Hansen to Receive and File Report Summarizing Issues Related to the Potential Annexation of the Remainder of the Unincorporated Bolsa Chica Area Currently Within the Jurisdiction of the County of Orange and Direct Staff to Include in the 2007-2008 Budget Resources to Complete an Annexation Feasibility Study. The study will also include responses to Councilmember Green's request for information. The motion carried by the following roll call vote:

AYES: Bohr, Carchio, Cook, Coerper, Green, Hansen, and Hardy
NOES: None

(City Council) Approved and Authorized the Mayor and City Clerk to Execute an Agreement Between the City of Huntington Beach and the EcoMedia Organization (formerly Adopt-A-Waterway) to Provide Funding to Support Water Quality Programs and Projects Throughout the City Including the City's Municipal Stormwater National Pollutant Discharge Elimination System Permit (NPDES) – Approved and authorized the Mayor and City Clerk to execute the *Agreement and an Environmental Protection, Watershed Restoration, Air Quality Improvement, and Greenspace Preservation Funding Program*. Submitted by the Director of Public Works. Funding Source: No funds are required at this time. The program is a minor source of water quality revenue, anticipated to generate approximately \$25,000 per year.

Councilmember Green requested that this agenda item be removed from the Consent Calendar. City Administrator Culbreth-Graft introduced Director of Public Works Robert Beardsley to provide a staff report. Director Beardsley discussed the *Adopt-A-Storm-Drain* plan that allows EcoMedia to post signage in the public right-of-way to educate the public about pollution and hazardous environmental practices. He also indicated that local businesses could advertise on these signs, and that the program administrator approached staff about continuing signage efforts in other projects and programs throughout the city.

Councilmember Hardy asked for information on the number and locations of projects that would be able to participate in this program. City Engineer Dave Webb stated he would follow-up with information and assist Council who are interested in visiting applicable sites.

A motion was made by Green, second Hardy to Approve and Authorize the Mayor and City Clerk to Execute *Agreement for an Environmental Protection, Watershed Restoration, Air Quality Improvement, and Greenspace Preservation Funding Program*. The motion carried by the following roll call vote:

AYES: Bohr, Carchio, Cook, Coerper, Green, Hansen, and Hardy
NOES: None

(City Council) Approved and Authorized the Mayor and City Clerk to Execute Amendment No. 2 to the Professional Services Agreement with Scott Fazekas & Associates, Inc. in the Amount of \$176,000 for a Total Not to Exceed \$412,000; Approved a Budget Appropriation to Transfer \$176,000 From Permanent Salaries to Professional Services, and Authorized the Director of Building and Safety to Expend an Additional \$176,000 for Inspection Services - 1) Approved *Amendment No. 2 to Agreement Between the City of Huntington Beach and Scott Fazekas and Associates, Inc.*; and authorized the Mayor and City Clerk to execute the Amendment No. 2; and **2)** Approved a Budget Appropriation to transfer \$176,000 from Permanent Salaries (10055201.51000) to Professional Services (10055201.69365;) and **3)** Authorized the Director of Building and Safety to expend an additional \$176,000 for Professional Services for Inspection Services. Submitted by: Director of Building and Safety. Funding Sources: Funds are available in Building and Safety Department business unit 10055201.51000.

Councilmember Carchio explained his request to pull the item and share his communication with the Director of Building on questions related to hiring practices,

background checks, and other considerations when initiating a professional services agreement for inspection services.

A motion was made by Carchio, second Cook to **1) Approve Amendment No. 2 to Agreement Between the City of Huntington Beach and Scott Fazekas and Associates, Inc.; and authorize the Mayor and City Clerk to execute the Amendment No. 2; and 2) Approve a Budget Appropriation to transfer \$176,000 from Permanent Salaries (10055201.51000) to Professional Services (10055201.69365;) and 3) Authorize the Director of Building and Safety to expend an additional \$176,000 for Professional Services for Inspection Services.** The motion carried by the following roll call vote:

AYES: Bohr, Carchio, Cook, Coerper, Green, Hansen, and Hardy

NOES: None

(City Council/Redevelopment Agency) Approved and Authorized the Mayor, City Administrator and City Clerk to Execute the Affordable Housing Agreement With Jamboree Housing Corporation (JHC-Oakview LLC) Using HOME Investment Partnership Program Funds and Agency Housing Set Aside Funds for Acquisition and Rehabilitation of a Five-Unit Apartment Property Located at 17362 Koledo Lane; Authorized the Wire Transfer of Funds to Affect the Closing of Escrow, and Temporarily Waived the City's Insurance Requirements for the Purpose of Approving the City and Agency Loans

The City Council/Redevelopment Agency considered a communication from the Director of Economic Development/Deputy Executive Director transmitting the following **Statement of Issue:** An Affordable Housing Agreement between the City, the Redevelopment Agency, and Jamboree Housing Corporation (Jamboree) is submitted for approval. This agreement provides for a loan in the amount of \$1,580,000 of HOME Investment Partnership program funds and Agency Housing Set Aside funds for the acquisition and rehabilitation of a five-unit apartment property at 17362 Koledo Lane in the Oakview neighborhood. Funding Source: \$800,000 from HOME Investment Partnership program funds (\$2,490.00 from account 85080401; \$565,571.28 from account 85180401; and \$231,938.72 from account 85280401) and \$780,000 from Agency Housing Set Aside funds account 30680301 (\$35,000 of which will only be used for relocation costs, if needed.)

Councilmember Bohr requested that for educational purposes, staff and/or the consultant present information on the request. City Administrator Culbreth-Graft referred to Acting Director of Economic Development Jim Lamb, who introduced Real Estate and Housing Manager Steve Holtz. Manager Holtz clarified that the project is using redevelopment set-aside and federal home program funds, not in-lieu fees.

Councilmember Bohr discussed the figures calculated per unit, including discounts. Kathy Head, Senior Principal with Keyser Marston provided a financial analysis and discussed revitalization efforts and affordable housing goals related to the Oakview area. She also explained how assistance guidelines work, including projects that are supported by debt or rent, and high operating expenses for small projects.

Councilmember Bohr asked for the number of units to date. Ms. Head stated 9 units to date, with proposed projects expected to raise that number to 20 in the near future.

A motion was made by Bohr, second Green to 1) Approve the Affordable Housing Agreement with JHC-Oakview, LLC for \$800,000 using HOME Investment Partnership program funds for the acquisition and rehabilitation of 17362 Koledo Lane; 2) Authorize execution and recordation of the Affordable Housing Agreement, all attachments, and other necessary related documents by the Mayor, City Administrator and City Clerk when advised by the City Attorney; 3) Authorize the wire transfer of \$800,000 of HOME Investment Partnership program funds to affect the closing of the acquisition escrow; 4) Temporarily waive the City's insurance requirements for the purpose of approving the City and Agency loans. Direct staff to ensure that insurance requirements as described in the Affordable Housing Agreement are met by JHC-Oakview, LLC by the close of escrow.

Recommended Redevelopment Agency Actions:

1) Approve the Affordable Housing Agreement with JHC-Oakview, LLC for \$780,000 using Agency Housing Set Aside funds for the acquisition and rehabilitation of 17362 Koledo Lane; 2) Authorize execution and recordation of the Affordable Housing Agreement, all attachments, and other necessary related documents by the Agency Chairperson, Executive Director, and Secretary when advised by the Agency Legal Council; 3) Authorize the wire transfer of \$780,000 of Agency Housing Set Aside funds to affect the closing of the acquisition escrow. The motion carried by the following roll call vote:

AYES: Bohr, Carchio, Cook, Coerper, Green, Hansen, and Hardy
NOES: None

(City Council/Redevelopment Agency) Appropriated \$90,000 and Approved the Extension of Financial Participation for Supporting Expenses of the Local Tuesday Nights Program, Surf City Nights for the Remainder of the Fiscal Year 2006-2007

Communication from the Director of Economic Development/Deputy Executive Administrator transmitting the following **Statement of Issue**: On November 20, 2006, City Council/Redevelopment Agency approved a trial program for temporary closure of Downtown Huntington Beach Main Street which included an event now referred to as Surf City TM Nights. This event was scheduled to expire on May 22, 2007, but due to the popularity and increased revenues to the downtown merchants, the Merchants Association voted at their May 9 general membership meeting to pay for the major expenses of the event for five weeks beginning May 29. During this extension period, the merchants and City staff will continue to improve the economics of the event through ideas such as expanding the size from two to three or more blocks; reducing expenses for infrastructure such as temporary barricades; and finding private sponsorships. Staff recommends that the City/Redevelopment Agency continue to support this event throughout the remainder of fiscal year 2006-2007 by paying for the minor supporting expenses, such as city-related costs, by reimbursing Police, Fire, Public Works, Community Services, and continuing to pay for advertising and seeking sponsors.

Councilmember Carchio announced that he would abstain from action on the item due to a possible conflict of interest, and exited the Council Chambers.

City Administrator Culbreth-Graft introduced Acting Director of Economic Development Jim Lamb to provide a staff report. Acting Director Lamb provided background on the *Surf City Nights* event approved by Council in November, 2006. He thanked staff, the downtown BID, involved contractors, and John Tillotson for matching the City's 2-hour free parking incentive in a privately-owned garage. He explained what the proposed request entails, how it will be budgeted through various sources, and addressed concerns about potential closure of the U.S. Post Office located at Main and Olive. He also stated that the original event included weekend festivals and would begin on Father's Day.

Councilmember Green asked about minor supporting expenses. Acting Director Lamb described approximate weekly expenses that include police patrol, barricades, parking, cleaning, Fire and Police Department overtime and advertising. He also discussed what the BID pays out on a weekly basis to outside contractors. Councilmember Green asked if the event should continue throughout the summer. Acting Director Lamb explained how the merchants drive the event, and how it is enjoyed by members of the community.

Mayor Pro Tem Cook asked if Post Office personnel had been invited to attend Economic Development Committee (EDC) meetings. Acting Director Lamb couldn't confirm, but explained that the City has definitely been in contact with the Post Office. Mayor Pro Tem Cook asked if the \$90,000 appropriation covers the entire budget year, and if any part is used to fund the weekend of July 4th. Acting Director Lamb confirmed that the budget allocation covers the remainder of the fiscal year, but is not associated with the July 4th weekend.

Mayor Pro Tem Cook voiced concerns about loss of revenue in allowing free parking. Acting Director Lamb stated the free parking decision was made early on to encourage people to come downtown. Mayor Pro Tem Cook asked staff to state current parking fees, and if the City is planning to offer free parking on Father's Day. Acting Director Lamb stated no plans are in place to offer free parking on Father's Day. He responded that the structure charges \$1.00 per 30 minutes, with a \$9.00 daily maximum.

Councilmember Bohr asked what happens after the extended 5-week period expires. Acting Director Lamb described the merchants' role in extending the life of the event, adding revenue sources and sponsorship must be established.

Councilmember Hansen described the event as excellent, and stated his opinion that offering free parking motivates people to show up. He supports extending the event and thanked the merchants for participating. He discussed growth, future sponsorship, revenue generation, busy merchants and happy residents, stating the City and downtown merchants should consider improvements as the event moves forward.

Mayor Pro Tem Cook asked staff to provide parking revenue generally realized on Tuesday nights in the summer. Acting Director Lamb responded with figures recorded in mid-May. Discussion ensued on how the program effects revenue generation on Tuesday evenings. Mayor Pro Tem Cook explained her goal of encouraging people to use alternative methods such as walking or biking to visit the event, stating she would not support the item without knowing how much parking revenue is gained or lost.

Councilmember Hardy expressed support for the item, and for offering free parking. She opined that longer stays downtown by visitors benefit the City and downtown

business owners. She asked staff to explain why vendors are requesting an expanded market area. Acting Director Lamb discussed vendor expenses and how special activities such as bounce boxes, restrooms, etc. limit space.

Councilmember Hardy asked how long the City can use redevelopment funds for the event. Acting Director Lamb responded the project is allowable as long as it ties to downtown project improvement. City Administrator Culbreth-Graft clarified that redevelopment monies cannot be spent for operations and maintenance, and that once the pilot program is retired, redevelopment funds will not be available to fund the event. Councilmember Hardy asked staff to confirm that the request includes a declaration by Council that the pilot program is being extended. City Administrator Culbreth-Graft confirmed, and added that the City does not support using General Fund dollars to finance the event.

Councilmember Green asked staff for the average time people exit the parking structure during summer months. City Administrator Culbreth-Graft requested that the Director of Community Services follow-up with that information.

Discussion continued on parking alternatives such as shuttles or long-term discounts, and whether participants receive a discount if they are present after the event begins. BID President Steve Daniels explained that the 2-hour parking incentive is offered between the hours of 4:00 p.m. to 8:30 p.m.

Mayor Coerper asked staff to indicate the streets currently closed during the event. Acting Director Lamb responded the 2nd and 3rd blocks (Walnut and Olive). Acting Director Lamb also explained why Orange can not be closed.

Mayor Coerper asked for the conclusion date of the pilot program. City Administrator Culbreth-Graft stated the pilot program operates throughout the current fiscal year.

A motion was made by Hansen, second Bohr to **1) Approve the extension of financial participation for supporting expenses by City/Redevelopment Agency for the Local Tuesday nights program, Surf City Nights, for the remainder of fiscal year 2006-2007; and 2) Appropriate \$90,000 from the Merged Project Area Unappropriated Fund Balance into account #30581002.** The motion carried by the following roll call vote:

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| AYES: | Bohr, Coerper, Green, Hansen, and Hardy |
| NOES: | Cook |
| ABSTAIN: | Carchio |

(City Council) Adopted Resolution No. 2007-33 Approving the Memorandum of Understanding (MOU) between the City of Huntington Beach and the Huntington Beach Management Employees' Organization (MEO) Covering the Period of December 20, 2006 through December 19, 2008

Communication from the Deputy City Administrator transmitting the following **Statement of Issue:** Should the City and the Huntington Beach Management Employees' Organization (MEO) enter into a new Memorandum of Understanding (MOU) covering the period of December 20, 2006 through December 19, 2008?

City Administrator Culbreth-Graft introduced Deputy City Administrator Bob Hall to provide a staff report. After a brief description of the request, Deputy Administrator Hall indicated a PowerPoint presentation was available to Council, if so desired. Council declined the presentation.

A motion was made by Bohr, second Hardy to Adopt **Resolution No. 2007-33**, "*A Resolution of the City Council of the City of Huntington Beach Approving and Implementing the Memorandum of Understanding between the Huntington Beach Management Employees' Organization (MEO) and the City of Huntington Beach for December 20, 2006 through December 19, 2008.*" The motion carried by the following roll call vote:

AYES: Bohr, Carchio, Cook, Coerper, Green, Hansen, and Hardy
NOES: None

(City Council) Approved and Authorized the Mayor and City Clerk to Execute Professional Services Contracts With FPL and Associates, Inc. in an Amount Not to Exceed \$500,000 Over a Three-Year Period and Albert Grover and Associates in an Amount Not to Exceed \$500,000 Over a Three-Year Period for "As-Needed" Civil Engineering Services

Communication from the Director of Public Works transmitting the following **Statement of Issue**: The Public Works Department requires professional civil engineering services on an as-needed basis to support staff for the design and construction of capital projects. The Transportation Division has selected two qualified firms. Funding Source: Funds are available within budgeted capital improvement projects and the department operating budget. Additional City Council authorization will be requested for unbudgeted capital projects if necessary.

City Administrator Culbreth-Graft introduced Director of Public Works Robert Beardsley who provided a staff report that described which professional services are needed to design and construct a Capital Project.

A motion was made by Green, second Hardy to 1) Approve and authorize the Mayor and City Clerk to execute Professional Services Contract Between the City of Huntington Beach and FPL and Associates, Inc. for As-Needed Civil Engineering Services; and 2) Approve and authorize the Mayor and City Clerk to execute Professional Services Contract Between the City of Huntington Beach and Albert Grover and Associates for As-Needed Civil Engineering Services. The motion carried by the following roll call vote:

AYES: Bohr, Carchio, Cook, Coerper, Green, Hansen, and Hardy
NOES: None

(City Council) Approved for Introduction Ordinance No. 3768 Amending Huntington Beach Municipal Code Chapter 13.48 Relating to the Consumption and Possession of Alcohol and Public Intoxication Within City Parks

The City Attorney is recommending that Huntington Beach Municipal Code Chapter 13.48 relating to Parks be amended as to Section 13.48.110, which regulates the consumption and possession of open and closed alcoholic beverages as well as public intoxication in parks within the City.

Councilmember Bohr asked for clarification on the request. City Attorney Jennifer McGrath clarified that enforcement of closed containers will no longer be regulated under the Municipal Code.

A motion was made by Green, second Cook to after the City Clerk reads by title, Approve for Introduction **Ordinance No. 3768**, "*An Ordinance of the City of Huntington Beach Amending Chapter 13.48 of the Huntington Beach Municipal Code Relating to the Consumption and Possession of Alcohol and Public Intoxication Within City Parks.*" The motion carried by the following roll call vote:

AYES: Bohr, Carchio, Cook, Coerper, Green, Hansen, and Hardy
NOES: None

(City Council) Approved for Introduction Ordinance No. 3769 Amending Huntington Beach Municipal Code Chapter 17.56.055 Regarding Enforcement of Fire Sprinkler Requirement for Assemblies, and Schedule a Public Hearing on June 18, 2007 for Adoption of Ordinance No. 3769

Communication submitted by the Fire Chief and the City Attorney transmitting the following **Statement of Issue**: Whether to adopt an ordinance establishing a procedure for enforcing the fire sprinkler requirements where the City erroneously issued a certificate of occupancy permitting an assembly in a non-sprinklered structure.

A motion was made by Cook, second Green to **1)** After City Clerk reads by title, Approve Introduction of **Ordinance No. 3769**, "*An Ordinance of the City Council of the City of Huntington Beach Amending Municipal Code Section 17.56.055 Regarding Enforcement of Fire Sprinkler Requirement for Assemblies*" by roll call vote; and **2)** Direct the City Clerk to publish notice of a public hearing pursuant to Government Code Section 6066, and schedule a public hearing for June 18, 2007 on adoption of the Ordinance. The motion carried by the following roll call vote:

AYES: Bohr, Carchio, Cook, Coerper, Green, Hansen, and Hardy
NOES: None

(City Council) Request Submitted By Councilmember Don Hansen Approved - Directed Staff to Prepare an Amendment to Chapter 2.07 of the Huntington Beach Municipal Code (HBMC) Increasing Campaign Contribution Limits from \$300 to \$500 per Election Cycle With the First Applicable Cycle Being the November 2006 City Council Election

Communication from Councilmember Don Hansen transmitting the following **Statement of Issue**: Since the adoption of Ordinance 3220 in 1994, there have been seven individual increases to US Postage Rates. These increases, combined with other material costs and the growth of the Huntington Beach population, make the \$300.00 campaign contribution limit a significant challenge for potential City Council candidates. Cities such as Anaheim and Santa Ana, who are closest to Huntington Beach in population size, have campaign contribution limits of \$1000 or greater.

Councilmember Hansen discussed independent expenditures, contribution limits in other cities, CPI and economic changes, and finding a level of common sense.

Councilmember Green inquired about contribution limits of the 10 largest and/or neighboring cities, and discussed regulations that apply when you are a voting member on other boards or commissions.

Mayor Pro Tem Cook voiced opposition to corporate contributions, stating she is a proponent of \$100 contribution limits for individuals. She stated she would not support the motion.

Councilmember Hardy explained how she was successful in 2 elections spending 1/4 of the funds spent by top and unsuccessful candidates. She discussed inflated costs such as stamps, and her support of raising the limits. However, she stated she would not support revised campaign contribution limits being retroactive to the last election cycle.

Councilmember Hansen explained the processing of retiring campaign debt, whether you were a successful candidate or not.

Councilmember Hardy asked how a candidate who ran in 2006 and has debt can increase their collection to count in 2006, and not a possible candidacy in 2008. City Attorney McGrath explained the contribution structure of a 4-year election cycle.

Councilmember Hardy requested that Councilmember Hansen expand study on his request for more information on how the contribution cycle works, with different scenario to establish clear election and contribution cycles. Councilmember Hansen explained his understanding of the request, and agreed to consider additional analysis.

City Attorney McGrath explained her understanding that a legislative draft and analysis be brought back to Council, with Council to clarify how far back in election cycle time period to analyze.

Councilmember Bohr voiced concerns about the proposal, and discussed why the current system works as written and discussed ways to raise money to exhaust debt without adding to existing contributions. He stated he would not support the motion.

Councilmember Green asked about becoming consistent with State contribution limits, suggesting that the limits set forth in the Municipal Code contradict other agencies. City Attorney McGrath explained differences in power and regulation between Charter and General Law cities. Councilmember Green asked for General Law city requirements. City Attorney McGrath stated she would return with the requested information.

Councilmember Hansen disagreed with Councilmember Bohr's comments about a level playing field, citing independent expenditures from Political Action Committees (PACs) such as labor union contributions, and how candidates who do not receive that type of endorsement must combat the expanded exposure PACs give their endorsees.

Councilmember Carchio called for consistency in accepting contributions, discussing how the process is difficult to understand. He opined that outside candidates have more difficulty in raising funds, and that the proposal will help them to last through an election cycle. He stated support for the motion.

Councilmember Bohr described Councilmember Hardy's first campaign and how she was successful without raising significant funds. He discussed independent expenditures and working hard to raise more donations, stating he would not support raising contribution limits.

Mayor Pro Cook stated that she was a successful candidate who didn't have necessary funds to combat opposition in her campaigns. She discussed the need for more quality people to run for Council, and discouraged people from going into debt. She stated her opinion to remove businesses out of the election process all together, and would not support the motion.

Councilmember Green asked the City Attorney to clarify if the motion raises contribution limits and outlines applicable cycle election cycles. City Attorney McGrath stated she has sufficient information at present that will permit discussion on the cycle, as well as contribution limitations. She also stated her intent to incorporate new changes in law that may affect the legislative draft.

Councilmember Hardy inquired if the item warrants holding a study session. City Attorney McGrath called for direction from Council. The Council declined a study session. Councilmember Hardy asked if the Council would delay action on the item until sometime in July. Council confirmed by consensus.

Mayor Coerper discussed contribution limits in outside agencies such as the Ocean View School District. He clarified that the request will come back to Council in July, and stated support for the motion.

A motion was made by Hansen, second Green to propose that the contribution limit be amended to \$500.00 per election cycle with the first applicable cycle being the November 2006 City Council Election, and that staff prepare such amendments as necessary to be delivered for City Council consideration by June 18, 2007. Hansen later amended motion and the second agreed recommending that the City Attorney provide detailed guidelines and clearly establish how to distinguish the election/contribution cycle prior to adopting an ordinance to raise limits, and move the item to July, date to be determined. The amended motion carried by the following roll call vote:

AYES: Carchio, Coerper, Green, Hansen, and Hardy
NOES: Bohr, and Cook

(City Council) Submitted and Withdrawn By Councilmember Joe Carchio - Request City Council to Reconsider Terms on Two Professional Services Contracts for "As-Needed" Economic Development Consulting Services Approved at the May 7, 2007 City Council Meeting; and, Request Staff to Present an Annual Report to Council on the Accomplishments and Costs of the Contract

Communication from Councilmember Joe Carchio transmitting the following **Statement of Issue**: Although I remain fully in support of the action, I would like to propose that we reconsider our motion at the May 7, 2007, City Council Meeting regarding the hiring of two consultant firms for Economic Development.

1. Both firms are granted a one-year contract with two, one-year options; and

2. In both cases, staff is asked to present a report to Council on what was accomplished the previous year, how much was spent, and minute action to review the contract.

Councilmember Carchio explained his request for Council to reconsider two Professional Services Contracts formally approved on May 7, 2007. He voiced concerns about funding a large scale project without requiring any follow-up reporting or oversight, requesting staff be obligated to report back annually on contract progress and status, including accomplishments, funds spent and funds remaining.

Councilmember Green asked Councilmember Carchio to clarify the intent of his motion, and if it included Recommended Action #1. City Administrator Culbreth-Graft explained that the request must only involve a vote of reconsideration, and that anything beyond that must be published and returned to the Council as an action item. She further explained that changing contract conditions previously approved by Council would be considered a Brown Act item for return.

Councilmember Green asked if the Council could allow the contract to stay in place, and simply request that staff provide an annual status report. City Administrator Culbreth-Graft confirmed that staff could provide an annual report, if so desired by the Council. Councilmember Green commented that multi-year contracts don't always communicate project status, and stated her support for receiving an annual report on the item.

Councilmember Carchio withdrew his request for action on the item.

Council Comments – Non Agendized

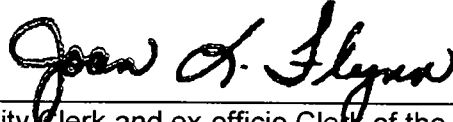
Councilmember Carchio reported on attending a Chamber of Commerce ribbon cutting ceremony at the El Pollo Loco, the second annual 3/1 Golf Tournament held at Camp Pendleton, the League of California Cities Breakfast with Assemblymember Jim Silva, his participation in the EMS Week Fire Safety Day, the Duck-A-Thon Wine Tasting event on May 18, and the Main Event on May 20. He concluded his comments by expressing disturbance for reports of a hate crime that occurred within the City.

Councilmember Hansen reporting on attending two full days at the Duck-A-Thon event held May 18-20 to benefit Community Health Care Centers, and gave thanks to the committee.

Mayor Coerper thanked Councilmember Hardy for attending the Children's Needs Task Force Youth and Character recognition ceremony, and reported on attending the Oakview Youth Center open house, giving thanks to the community service groups in attendance and the services they provide. He also extended thanks to the City Council and staff, Police, Fire, and Marine Safety for a superb job.

Adjournment - City Council/Redevelopment

Mayor Coerper adjourned the regular meetings of the City Council/Redevelopment Agency of the City of Huntington Beach at 9:05 p.m. to Monday, June 4, 2007 at 4:00 p.m., in Room B-8, Civic Center, 2000 Main Street, Huntington Beach, California.



City Clerk and ex-officio Clerk of the City Council of the City of Huntington Beach and Clerk of the Redevelopment Agency of the City of Huntington Beach, California

ATTEST:

City Clerk-Clerk


Mayor-Chair